



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB0735

Introduced 2/1/2005, by Rep. Donald L. Moffitt

SYNOPSIS AS INTRODUCED:

35 ILCS 10/5-16 new

Amends the Economic Development for a Growing Economy Tax Credit Act. Provides that in lieu of an income tax credit, an applicant may opt to receive job creation assistance payments under the Act. Defines "applicant" as any employer located or that plans to locate in Illinois. Provides that job creation assistance payments shall be related to the number of new full-time equivalent jobs created or retained in Illinois, any job-related benefits offered, and the economic impact of the full-time equivalent jobs created or retained. Provides that, for each new full-time equivalent job created or retained, the applicant is eligible to receive job creation assistance payments in amounts to be determined by the Department of Commerce and Economic Opportunity. Provides that agreements for the payments may last up to 10 years and that payments may be made on a quarterly basis. Requires application for the payments on or before December 31, 2008. Requires the Department to report each January 1 to the Governor and the General Assembly on the progress of the incentive payment program. Effective immediately.

LRB094 06382 BDD 36466 b

FISCAL NOTE ACT
MAY APPLY

1 AN ACT concerning economic development.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Economic Development for a Growing Economy
5 Tax Credit Act is amended by adding Section 5-16 as follows:

6 (35 ILCS 10/5-16 new)

7 Sec. 5-16. Job creation assistance payments.

8 (a) In lieu of an income tax credit as provided under
9 Section 5-15, an applicant may opt to receive job creation
10 assistance payments under this Act.

11 (b) For purposes of this Section, "applicant" means any
12 employer located or that plans to locate in Illinois.

13 (c) Notwithstanding any provision to the contrary under
14 this Act, an applicant seeking to make an amount of investment
15 and create or retain a number of full-time equivalent jobs in
16 Illinois expressly specified by the Department may make
17 application to the Department and may be eligible to receive
18 job creation assistance payments. Job creation assistance
19 payments shall be related to the number of new full-time
20 equivalent jobs created or retained in Illinois, any job
21 related benefits offered, including health care, and the
22 economic impact of the full-time equivalent jobs created or
23 retained. For each new full-time equivalent job created or
24 retained, the applicant is eligible to receive job creation
25 assistance payments in amounts to be determined by the
26 Department in conformance with procedures specified in this
27 Act. Job creation assistance payments may be equal to the
28 incremental income tax associated with employees who hold
29 full-time equivalent jobs created or retained and may be
30 adjusted to encourage the offering of job related benefits,
31 including health care. At no time may the value of the job
32 creation assistance payments over time be more than the value

1 of the economic impact of the full-time equivalent jobs
2 created.

3 (d) An agreement to provide job creation assistance
4 payments under this Section shall be entered into in the same
5 manner as agreements for income tax credits under this Act, to
6 the extent possible, and in conformance with the requirements
7 of this Section and of the Corporate Accountability for Tax
8 Expenditures Act. Job creation assistance payments under this
9 Section shall be entered into for a period not to exceed 10
10 years and may be made in quarterly installments as determined
11 by the Department. To qualify to enter into an agreement for
12 job creation assistance payments, an applicant must file an
13 application with the Department on or before December 31, 2008.

14 (e) The Department shall file annual reports with the
15 General Assembly and the Governor on or before January 1 each
16 year concerning job creation assistance agreements entered
17 into in the previous year and regarding the progress this
18 assistance has made in advancing economic development in
19 Illinois and its various regions.

20 Section 99. Effective date. This Act takes effect upon
21 becoming law.